

The Honorable Brian D. Lynch
Chapter 11
Location: Tacoma, Courtroom I
Date of Hearing: To be Determined
Time of Hearing: To be Determined
Response Date: At or Before Hearing

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

In re:

SHILO INN, BEND, LLC, *et. al.*,¹,
Debtors and Debtors-in-Possession.

- ☒ Affects All Debtors
☐ Affects SHILO INN, BEND, LLC
☐ Affects SHILO INN, WARRENTON, LLC

Lead Case No. 21-41340-BDL

(Jointly Administered with Case
No. 21-41341-BDL)

**DECLARATION OF LARRY
CHANK IN SUPPORT OF:**

**EMERGENCY MOTION FOR
AUTHORITY TO (1) PAY
PREPETITION PRIORITY WAGES,
COMMISSIONS AND BONUSES;
AND (2) HONOR ACCRUED
VACATION AND LEAVE
BENEFITS IN THE ORDINARY
COURSE OF BUSINESS;**

**EMERGENCY MOTION FOR
ENTRY OF AN ORDER
AUTHORIZING DEBTORS TO
PROVIDE ADEQUATE
ASSURANCE OF FUTURE
PAYMENT TO UTILITY
COMPANIES PURSUANT TO
SECTION 366(c) OF THE
BANKRUPTCY CODE;**

¹ The Debtors are Shilo Inn, Bend, LLC, Bankruptcy Case No. 21-41340-BDL and Shilo Inn, Warrenton, LLC, Bankruptcy Case No. 21-41341-BDL. The cases are jointly administered.

DECLARATION OF LARRY CHANK IN SUPPORT OF
EMERGENCY FIRST DAY MOTIONS - 1

STOEL RIVES LLP
ATTORNEYS
600 University Street, Suite 3600, Seattle, WA 98101
Telephone 206.624.0900

**EMERGENCY MOTION FOR
ENTRY OF AN ORDER
AUTHORIZING THE DEBTORS TO
HONOR CERTAIN PREPETITION
OBLIGATIONS TO CUSTOMERS**

I, Larry Chank, hereby declare as follows:

1. I am over 18 years of age. I have personal knowledge of the facts set forth below and, if called to testify, would and could competently testify thereto.

2. I am currently employed as the CEO of Shilo Management Corporation ("SMC"), which is the manager and operator of the Hotels (as defined below) owned by Shilo Inn, Bend, LLC ("Shilo Bend") and Shilo Inn, Warrenton, LLC ("Shilo Warrenton") (each a "Debtor" and, collectively, the "Debtors") the debtors and debtors in possession in the above-captioned, jointly-administered chapter 11 bankruptcy cases.

3. I have reviewed and am familiar with and am knowledgeable about the books and records of SMC and the Debtors, which books and records are made in the regular practice of business, kept in the regular course of business, made by a person with knowledge of the events and information related thereto, and made at or near the time of events and information recorded.

4. I was hired as CEO of SMC in February 2019, in which role I have continued to serve to this present day. I am the authorized agent for the Debtors in their respective chapter 11 bankruptcy cases.

5. I began my hospitality career in 1988 and have hands-on experience in hotel & restaurant operations (15 years) and accounting/finance (49 years). I am a 1970 graduate of Niagara University, Niagara Falls, New York, with a BBA in accounting and service as a Lieutenant in the Army Artillery. Prior to Shilo Inns, my position was the CFO/Controller for the Hopi Tribe Economic Development Corporation, and, in addition to my accounting duties, this position allowed me to advise the Hopi Tribe on matters related to operation of their residential,

DECLARATION OF LARRY CHANK IN SUPPORT OF
EMERGENCY FIRST DAY MOTIONS - 2

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1 commercial, hotel, restaurant, travel plaza, and other real estate developments. I have a Certified
2 Public Accountant license issued in the State of New York, and I am a licensed real estate broker
3 in the State of California.

4 6. My duties have included the management and oversight of accounting personnel,
5 including Accounts Payable, Accounts Receivable, Payroll, General Ledger, Audit, Treasury,
6 Budgets, Cash Flow, Financial Reporting, Human Resources, and Information Systems.

7 7. I make this declaration in support of the Debtors' "first day motions" (each a
8 "Motion" and, collectively, the "Motions") listed here as follows:

- 9 a. Debtors' Emergency Motion for Authority to (I) Pay Prepetition
10 Wages, Commissions and Bonuses; and (II) Honor Accrued
11 Vacation and Leave Benefits in the Ordinary Course of Business
(the "Wage Motion");
- 12 b. Debtors' Emergency Motion for Entry of an Order Authorizing
13 Debtors to Provide Adequate Assurance of Future Payment to
14 Utility Companies Pursuant to Section 366(c) of the Bankruptcy
Code (the "Utilities Motion"); and
- 15 c. Debtors' Emergency Motion for Entry of an Order Authorizing
16 Debtors to Honor Certain Prepetition Obligations to Customers (the
"Customer Loyalty Program Motion").

17 **A. General Information**

18 8. The Debtors commenced their respective chapter 11 bankruptcy cases by each
19 filing a voluntary petition under chapter 11 of title 11, sections 101 *et seq.* of the United States
20 Code, (the "Bankruptcy Code") on August 13, 2021 (the "Petition Date").

21 9. The Debtors continue to operate their businesses and manage their financial affairs
22 as debtors in possession. No committee of unsecured creditors has been formed, and no trustee
23 has been appointed. The Debtors' two case numbers are 21-41340 and 21-41341.

1 **B. The Two Hotels**

2 10. Mark S. Hemstreet has been the proud founder and owner and of the Shilo Inn
3 Suites Hotel chain since 1974. Today, there are thirteen (13) company-owned Shilo Inn hotels
4 across the western states, including one Shilo hotel in Killeen, Texas.

5 11. Each of the two Debtors owns a hotel (each a “Hotel” and, collectively, the
6 “Hotels”), as described in greater detail below.

7 12. The Hotels are collateral for certain promissory notes (each a “Loan” and,
8 collectively, the “Loans”) originally made in November 2015 and now held by RSS
9 WFCM2015NXS4-OR SIB, LLC (as to the loan to Shilo Bend), and RSS WFCM2016NXS5-
10 OR SIW, LLC (as to the loan to Shilo Warrenton), (each a “Lender” and, collectively, the
11 “Lender”) and serviced by Rialto Capital Advisors, LLC (“Rialto”).

12 13. Shilo Bend operates a 151-room/suite, two-story, full-service hotel in Bend,
13 Oregon (the “Bend Hotel”), on fee title land, operated pursuant to a franchise agreement with
14 Shilo Franchise International (“SFI”) and managed by Shilo Management Corporation (“SMC”).
15 The Shilo Bend property has an outdoor pool and spa, indoor pool with sliding open-roof
16 membrane and two spas, and steam and sauna room, exercise fitness center, guest laundry, as well
17 as a free-standing restaurant and lounge and banquet facility, currently seeking a restaurant tenant.
18 The Bend Hotel has approximately 29 employees. Based on the appraisal opinion of Mark
19 Hemstreet, the fair market value of the Bend Hotel is at least between \$15,000,000 and
20 \$20,000,000.

21 14. Shilo Warrenton operates a 63-all-suites, four-story hotel plus an independent free-
22 standing restaurant that is leased in Warrenton, Oregon (the “Warrenton Hotel”), on fee title land,
23 operated pursuant to a franchise agreement with SFI and managed by SMC. The Shilo Warrenton
24 property has an indoor pool, spa, steam and sauna room, fitness and business center, and meeting
25 room. The Warrenton Hotel has approximately 15 employees. Based on the appraisal opinion of
26

1 Mark Hemstreet, the fair market value of the Warrenton Hotel is at least between \$7,000,000 and
2 \$8,000,000.

3 15. The Hotels have enjoyed historical success as stand-alone businesses leading up
4 to 2020. Despite these challenges, the Debtors continued to maintain the properties in first-class,
5 excellent condition and in compliance with Shilo Inn franchise standards. Unfortunately, in 2020
6 the Hotels experienced a sudden and sharp decline in hotel revenues due to the Covid-19 global
7 pandemic and unprecedented global recession. Despite the availability of a vaccine, uncertainty
8 with the Covid-19 delta variant has continued to suppress travel demand in the hotel and
9 hospitality sector.

10 **C. The Hotels Secured by Loans with the Lender**

11 16. On or about November 2, 2015, each of the Debtors entered into loan agreements
12 with Natixis Real Estate Capital, LLC (“Natixis”). On information and belief, Natixis
13 collateralized the Loans into commercial mortgage backed securities and sold them as investments
14 in the market. The Loans were being serviced by Wells Fargo prior to being moved to special
15 servicing with Rialto in or about November 2018. Mark S. Hemstreet, founder of Shilo Inns, is a
16 personal guarantor on the Loans.

17 17. The Debtors made timely payments on the Loan for three years until the third
18 quarter of 2018. Despite what might appear to have been a better economy on Wall Street with
19 record Dow Jones stock averages, the general American economy continued to be a struggle for
20 America’s working class, which continues to have reverberations in the markets serving America’s
21 working class families. Shilo Inn has a long and proud 47-year-plus history of providing high
22 quality resort, hotel, and vacation services to American families in the Pacific Northwest, and
23 several western states, including Washington, Oregon, Idaho, Montana, Arizona, Nevada, and
24 Texas. Shilo Inn has been a strong supporter and charitable donor to the service men and women
25 of the United States Armed Forces, and Shilo is proud of its commitment to America’s men and
26 women in uniform and America’s working class. As America’s working class continued to

1 struggle through this economy, the Debtors nonetheless made timely debt service to the Lender
2 for three years. But when the economic conditions strained the ability to make payments in late
3 2018, the Lender took increasingly aggressive steps to foreclose on the Debtors' assets.

4 18. For twelve months from approximately November 2018 to September 2019, the
5 Debtors made numerous offers to the Lender and Rialto in efforts to bring current and reinstate the
6 Loan through settlement. In the approximately 30 months leading up to the bankruptcy filings,
7 Rialto controlled most of the Debtors' operating cash accounts under a lockbox cash management
8 provision, making it very challenging for SMC and SFI to operate the hotels. Rialto collected all
9 of the operating cash that Shilo created and insisted that the Debtors' affiliates, SFI, SMC, and Mr.
10 Hemstreet personally pay for all of the expenses, including, but not limited to, labor, payroll,
11 utilities, insurance, vendors, supplies, and taxes at the Hotels rather than use the Debtors' own
12 generated operating cash and reserves to pay their own expenses. The Debtors were required to
13 submit monthly operating expense draw requests at the end of each month and then have to wait
14 at least another 45 days to ever receive reimbursement, resulting in SMC, SFI and Mr. Hemstreet
15 having to advance and fund millions of dollars to the Hotels and causing more financial hardship
16 on the Debtors, affiliates, SMC, SFI, and Mr. Hemstreet. During this period in 2019, the Debtors
17 also learned that Rialto had used the lockbox funds to pay outstanding amounts due under the
18 Loans, informing the Debtors weeks after the fact.

19 19. On January 23, 2020, the Debtors and Rialto, on behalf of Lender, each entered into
20 separate Forbearance Agreements wherein Rialto agreed to forbear from exercising its rights and
21 remedies until July 23, 2020. Upon execution of its Forbearance Agreement, Shilo Bend paid
22 Lender the amount of \$508,704 to be applied to outstanding amounts due under the Shilo Bend
23 Loan. Upon execution of its Forbearance Agreement, Shilo Warrenton paid Lender the amount of
24 \$243,531 to be applied to outstanding amounts due under the Shilo Warrenton Loan. In addition,
25 the Debtors brought current their past due monthly loan payments owed for November and
26 December 2019 and January 2020 in the total amount of \$183,138.51 for the Shilo Bend Loan and

1 \$90,306.90 for the Shilo Warrenton Loan. Thereafter, the Debtors were required to make the
2 regular principal and interest payments on the Loan. The Debtors were current on the payments
3 required under the Forbearance Agreement until the onset of the COVID-19 pandemic.

4 20. The American economy in general and the hotel industry in particular have been
5 decimated as a result of the pandemic and the applicable state and local stay at home orders.
6 Specifically, the pandemic and applicable stay at home orders caused a sudden and dramatic loss
7 of revenues and occupancy at the Hotels just when the Hotels would normally experience
8 increasing revenues coming out of winter and going into spring break. As a result of the COVID-
9 19 pandemic and the immediate loss of revenue and occupancy as a result of the stay at home
10 orders, the Debtors unfortunately defaulted under the Forbearance Agreement. The Debtors are
11 not unique among hotel owners and operators defaulting on loans and facing foreclosure as a result
12 of the COVID-19 pandemic. A 2020 survey by the American Hotel and Lodging Association
13 estimated that half of hotel owners in the country are in danger of foreclosure as a result of the
14 pandemic. It is incumbent upon hospitality lenders to work with their borrowers during these
15 unfortunate times.

16 21. While vaccines for COVID-19 are available for the general population, the United
17 States has struggled to convince its population to accept the vaccine and reach a critical level of
18 herd immunity. In the meantime, children under the age of 12 remain unable to receive the vaccine,
19 and the highly contagious and more deadly COVID-19 delta variant is spreading rapidly across
20 the country in what the national medical community has called a pandemic of the unvaccinated
21 (with even an apparent rise in breakthrough cases among the vaccinated as well). The confluence
22 of these terrible events has continued to suppress hotel and hospitality demand.

23 22. Rialto scheduled non-judicial foreclosure sales of the Hotels, which were continued
24 and rescheduled from time to time, until August 16, 2021. In addition to the payments under the
25 Forbearance Agreements as set forth above, since the termination of the Forbearance Agreements,
26 the Shilo organization paid to Rialto additional and substantial sums to postpone the foreclosures

1 sales while the parties attempted to reach a further out-of-court agreement on restructuring the
2 debts. Additionally, SFI and SMC have forgone and not received franchise and management fees
3 since at least September 2018 as part of Shilo's good faith effort to accomplish a successful
4 restructuring.

5 23. Even when three of the Debtors' affiliates (Shilo Inn, Ocean Shores, LLC, Shilo
6 Inn, Nampa Suites, LLC, and Shilo Inn, Idaho Falls, LLC) (collectively, the "2020 Shilo Debtors")
7 were forced to file for chapter 11 bankruptcy protection in the Fall of 2020, the Debtors continued
8 to make good faith refinancing and settlement proposals to Rialto based on the expressed interest
9 of third-party refinancing lenders with global settlement/refinancing offers. Unfortunately, despite
10 the Debtors sharing with Rialto the most recent names of pending new third-party refinancing
11 lenders and repeated requests to postpone foreclosure, Rialto would not agree to postpone the
12 foreclosure sales on the Debtors' Hotels.

13 24. Faced with the foreclosure sales, the Debtors determined in their reasonable
14 business judgment that it would be best to file for chapter 11 bankruptcy protection for the benefit
15 of all creditors, to save the jobs of the 44 employees who work at the Hotels, and to save the equity
16 in the Hotels through a reorganization of their financial affairs in bankruptcy court.

17 **D. Prepetition Wages**

18 25. In the operation of the Hotels, the Debtors employ in the aggregate approximately
19 44 employees on the premises. Each payroll covers a two-week period. The prepetition portion
20 of the Debtors' unpaid payroll period is shown on **Exhibit 1** to this Declaration, including the
21 dates covered, when Shilo does payroll, cuts checks, initiates direct deposits, and funds payroll.
22 Collectively, this period is referred to as the "Prepetition Period" and the wages as the "Prepetition
23 Wages." The Debtors make payroll in two tranches. Shilo Bend pays its staff on August 18,
24 2021, and its hotel managers on August 25, 2021, with a recurring staggered payroll. Shilo
25 Warrenton pays its staff and hotel managers on the same payroll together, with the next payroll
26 due on August 25, 2021. ***SMC has already paid the August 18 payroll with its own funds (not***

1 *estate funds) so that there is no disruption to the employees' pay during this difficult Covid-19*
2 *time, and by this Motion SMC seeks permission for reimbursement of this amount.* The Debtors
3 submit that these hotel managers are not insiders because they do not have any control over the
4 Debtors' financial affairs, budgeting, or macro-decisions, which are all made by the corporate
5 office at SMC (the SMC corporate employees are paid by SMC, not the Debtors, and are not part
6 of the Wage Motion). The amounts on **Exhibit 1** represent the total gross amount of prepetition
7 payroll, including workers compensation contributions, medical benefit contributions, federal and
8 state withholding taxes, payroll taxes, and service fees to SMC. None of the employees to be
9 paid Prepetition Wages are insiders. A redacted list of the employees and the amounts of the
10 Prepetition Wages are shown on **Exhibit 1** to this Declaration. The names of the employees have
11 been redacted to protect their privacy, but an un-redacted version will be submitted to the U.S.
12 Trustee, the Court, and Rialto, if requested.

13 26. The source of funds to be used to honor the wages, salaries, commissions and
14 bonuses for the Prepetition Period will be the Debtors' revenue, which may constitute the cash
15 collateral of the Lender and a number of other secured creditors. The Debtors' request to use cash
16 collateral is included in a separate motion filed concurrently herewith.

17 27. By way of the Wage Motion, the Debtors seek authority to transfer the exact
18 amount of funds necessary to SMC for the express purpose of paying non-insider, Prepetition
19 Wages, within the limits of \$13,650 per employee.

20 28. All of the employees to which the Debtors seek to pay wages, salaries,
21 commissions, and bonuses for the Prepetition Period are still employed by the Debtors. The
22 Debtors submit that approval to honor the employees' wages, salaries, commissions, and bonuses
23 for the Prepetition Period, including all federal and state withholding taxes, payroll taxes,
24 employer matching 401(k) contributions, and payroll service fees, will not render any estate
25 administratively insolvent.
26

1 29. The Debtors' employees are integral to the Debtors' continued operation and the
2 generation of revenue, while preserving the value of all of the estates. In short, the Debtors cannot
3 continue to operate and reorganize without the employees. If the Debtors do not continue to pay
4 their employees their ordinary and earned wages, salaries, commissions, and bonuses, the
5 employees will likely quit, and especially in today's post-Covid pandemic era, it is very difficult
6 to find new employees. Without employees, the Debtors' operations and the value of their
7 business will be severely impaired, if not eviscerated altogether.

8 **E. Utilities**

9 30. To operate the Hotels, the Debtors receive water, gas, electricity, sewer, garbage
10 telephone, TV, movie/cinema, internet, and similar utility services from a number of utility
11 companies (each a "Utility Company," and collectively, the "Utility Companies"). Given the
12 importance of the services provided by the Utility Companies to the Debtors' businesses, it is
13 crucial that the means of providing adequate assurance to the Utility Companies which provide
14 utility services to the Debtors be determined so that there is no interruption in the services
15 provided.

16 31. Prior to the commencement of the Debtors' bankruptcy cases, the Utility
17 Companies listed in **Exhibit 2** to this Declaration provided utility services to the Debtors. The
18 Debtors intend to provide adequate "assurance of payment" by providing each of the Utility
19 Companies listed in **Exhibit 2** with a cash deposit, as authorized by Section 366(c)(1)(A)(i) of
20 the Bankruptcy Code, in the amounts set forth in **Exhibit 2**, provided that the Debtors will
21 continue to utilize such services. The proposed deposit amounts were determined based on an
22 average of the three (3) monthly ledgers reflecting expenses the Debtors incurred for the
23 respective Utility Companies. To the extent that a deposit is already in place with a particular
24 Utility, such amount was deducted from the proposed deposit sought herein. The source of funds
25 to be used to pay the cash deposits to the Utility Companies will be the Debtors' post-petition
26 revenues and cash on hand.

1 **F. Customer Loyalty Program Obligations**

2 32. The Debtors' Hotels are just two of thirteen (13) affiliated hotels under the SFI
3 brand. The Star Program allows customers of Shilo Inns to earn 1 point per dollar spent on room
4 rates per day, excluding tax and other expenses. For each 900 points gained, the customer can
5 earn a free night at a Shilo Inn hotel. Accordingly, Shilo customers can also earn a variety of
6 certificates with points ranging from 250-900, which is clearly stated on the Shilo Inn website
7 under Star Rewards along with its terms and conditions. The Debtors submit that the Star Program
8 provides benefits to all of the Debtors because it encourages customers to be loyal in choosing
9 these two hotels over the many other hotel choices that they have in each region. Without the Star
10 Program, it is almost certain that the Debtors will lose business and future business from customers
11 who would otherwise not have this incentive to be loyal in choosing Shilo hotels.

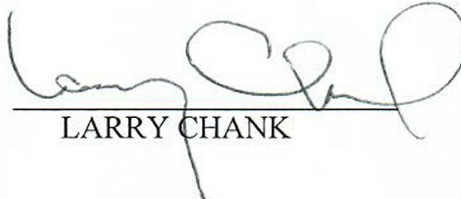
12 33. The Debtors submit that the discretion to honor the Star Program is essential to the
13 Debtors' maintenance of positive customer relations, as a failure to honor the existing Star Program
14 is certain to detrimentally affect customer goodwill and impair the Debtors' ability to generate
15 repeat business from the Debtors' customers. If the Debtors are not authorized to honor the Star
16 Program in their discretion, the Debtors' ability to continue to generate business, successfully
17 reorganize and/or maximize value for creditors could be seriously jeopardized, particularly where
18 the underlying transaction involves long-standing, crucial customers.

19 34. The Debtors engage in the Star Program in the ordinary course of their business.
20 The Debtors' most important clients are familiar with the Star Program and expect the benefits
21 they receive from them. The success of the Debtors' business and the ability of the Debtors to
22 successfully reorganize and/or to maximize value for creditors are completely dependent upon the
23 loyalty, confidence, and continued patronage of their clients. Any delay in honoring the Star
24 Program obligations likely will create immediate and irreparable customer dissatisfaction and
25 frustration, causing clients to offer their business to the Debtors' competitors.
26

1 35. At a time when customer loyalty and patronage is critical to the Debtors'
2 reorganization efforts, the Debtors submit that it is entirely necessary, and appropriate, for the
3 Court to issue an order allowing the Debtors to continue to honor the Star Program in these
4 circumstances.

5 I declare under penalty of perjury under the laws of the United States of America that the
6 foregoing is true and correct to the best of my knowledge.

7 Executed on this 20th day of August 2021, at Portland, Oregon.

8
9
10
11

LARRY CHANK

12 Respectfully submitted:

13 DATED: August 20, 2021.

14 LEVENE, NEALE, BENDER,
15 YOO & BRILL L.L.P.

16 /s/ John-Patrick M. Fritz

17 David B. Golubchik (admitted pro hac vice)

18 J.P. Fritz (admitted pro hac vice)

19 Proposed Attorneys for Debtors and
20 Debtors-in-Possession

21 STOEL RIVES LLP

22 /s/ Bryan T. Glover

23 Bryan T. Glover, WSBA No. 51045

24 Proposed Attorneys for Debtors and
25 Debtors-in-Possession

EXHIBIT 1

Report: Payroll Pay Statements: Default
Sorted By: Last Name Ascending
Filtered By: Employee Filter: All Employees; Default Location starts with bend
Date & Time: 08/20/2021 08:48a
Generated By: Shelly J. Meyer
Company: SHILO INNS (6013713)

First Name	Last Name	Type	Status	#	Pay Date	Regular Hours	Gross	Net Payment	Default Location	Employee Status	Date Terminated	Sick Hours	Vacation Hours	
		Regular	Finalized	804751	08/18/2021	44.42	\$755.14	\$614.89	Bend - 030	Active	-	-		
		Regular	Finalized	804752	08/18/2021	80.00	\$1,654.55	\$1,066.31	Bend - 030	Active	-	-		
		Manual	Finalized	804743	08/18/2021	41.36	\$703.12	\$584.14	Bend - 030	Terminated	08/06/2021	-	-	
		Regular	Finalized	804753	08/18/2021	79.99	\$1,401.93	\$1,049.05	Bend - 030	Active	-	-		
		Regular	Finalized	804754	08/18/2021	55.67	\$974.44	\$783.94	Bend - 030	Active	-	-		
		Regular	Finalized	804755	08/18/2021	80.00	\$1,807.69	\$1,334.96	Bend - 030	Active	-	-		
		Regular	Finalized	804756	08/18/2021	80.00	\$1,608.37	\$1,198.62	Bend - 030	Active	-	-		
		Regular	Finalized	804757	08/18/2021	62.24	\$1,110.87	\$874.35	Bend - 030	Terminated	08/16/2021	-	-	
		Regular	Finalized	804758	08/18/2021	80.00	\$1,529.07	\$1,177.71	Bend - 030	Active	-	-		
		Regular	Finalized	804759	08/18/2021	65.11	\$1,502.10	\$1,306.15	Bend - 030	Active	-	-	16.00	
		Regular	Finalized	804760	08/18/2021	16.75	\$284.75	\$231.23	Bend - 030	Active	-	-		
		Regular	Finalized	-65302	08/18/2021	80.00	\$1,394.94	\$1,139.13	Bend - 030	Active	-	-		
		Regular	Finalized	804761	08/18/2021	39.35	\$501.71	\$426.50	Bend - 030	Active	-	-		
		Regular	Finalized	804762	08/18/2021	80.00	\$1,596.13	\$1,198.80	Bend - 030	Active	-	-		
		Regular	Finalized	804763	08/18/2021	78.80	\$1,440.58	\$1,113.73	Bend - 030	Active	-	-		
		Regular	Finalized	804764	08/18/2021	71.87	\$1,397.73	\$1,099.38	Bend - 030	Active	-	8.00	-	
		Manual	Finalized	804734	08/18/2021	81.37	\$1,423.98	\$1,119.43	Bend - 030	Terminated	07/26/2021	-	-	
		Regular	Finalized	804765	08/18/2021	56.70	\$1,020.60	\$852.28	Bend - 030	Active	-	-		
		Regular	Finalized	804766	08/18/2021	47.88	\$610.47	\$500.32	Bend - 030	Active	-	-		
		Manual	Finalized	804744	08/18/2021	61.23	\$1,040.91	\$824.24	Bend - 030	Terminated	08/07/2021	-	-	
		Regular	Finalized	804767	08/18/2021	80.00	\$1,579.35	\$1,289.83	Bend - 030	Active	-	-		
		Regular	Finalized	804768	08/18/2021	79.47	\$1,445.59	\$1,298.67	Bend - 030	Active	-	-		
		Regular	Finalized	804769	08/18/2021	63.08	\$1,266.67	\$951.60	Bend - 030	Active	-	-		
		Regular	Finalized	804770	08/18/2021	73.83	\$1,255.11	\$978.98	Bend - 030	Active	-	-		
		Regular	Finalized	804771	08/18/2021	43.59	\$741.03	\$604.31	Bend - 030	Terminated	08/17/2021	-	-	
		Regular	Finalized	804772	08/18/2021	39.03	\$663.51	\$546.59	Bend - 030	Terminated	08/17/2021	-	-	
		Regular	Finalized	804773	08/18/2021	47.83	\$1,219.58	\$961.60	Bend - 030	Active	-	-		
		Regular	Finalized	804774	08/18/2021	22.66	\$362.56	\$310.22	Bend - 030	Active	-	-		
		Regular	Finalized	804775	08/18/2021	80.00	\$1,360.00	\$1,253.72	Bend - 030	Active	-	-		
Total						1812.23	\$33,652.48	\$26,690.68			8.00	16.00		

Report: Payroll Pay Statements: Default
Grouped By: Default Location
Sorted By: Last Name Ascending
Filtered By: Employee Filter: All Employees
Date & Time: 08/20/2021 08:50a
Generated By: Shelly J. Meyer
Company: SHILO INNS (6013713)

Default Location	Bend - 030												
	First Name	Last Name	Type	Status	#	Pay Date	Regular Hours	Gross	Net Payment	Employee Status	Date Terminated	Sick Hours	Vacation Hours
Subtotal			Regular	Finalized	804917	08/25/2021	80.00	\$2,115.38	\$1,670.80	Active		-	-
			Regular	Finalized	804918	08/25/2021	80.00	\$2,500.00	\$1,966.68	Active		-	-
							160.00	\$4,615.38	\$3,637.48			-	-

Default Location	Warrenton - 145												
	First Name	Last Name	Type	Status	#	Pay Date	Regular Hours	Gross	Net Payment	Employee Status	Date Terminated	Sick Hours	Vacation Hours
			Regular	Finalized	804971	08/25/2021	43.96	\$659.40	\$543.14	Active		-	-
			Regular	Finalized	804972	08/25/2021	35.74	\$536.10	\$451.83	Active		-	-
			Regular	Finalized	804973	08/25/2021	80.00	\$1,711.54	\$1,274.42	Active		-	-
			Regular	Finalized	804974	08/25/2021	78.53	\$1,168.92	\$880.07	Active		-	-
			Regular	Finalized	804975	08/25/2021	65.02	\$1,214.04	\$919.85	Active			12.00 -
			Regular	Finalized	804976	08/25/2021	66.83	\$1,603.27	\$1,207.81	Active			18.00 -
			Regular	Finalized	804977	08/25/2021	80.00	\$1,313.01	\$1,011.52	Active		-	-
			Regular	Finalized	804978	08/25/2021	28.64	\$400.96	\$343.58	Active		-	-
			Regular	Finalized	804979	08/25/2021	80.00	\$1,403.90	\$1,068.45	Active		-	-
			Regular	Finalized	804980	08/25/2021	73.11	\$1,023.54	\$775.48	Active		-	-
			Regular	Finalized	804981	08/25/2021	48.92	\$684.88	\$529.97	Active		-	-
			Regular	Finalized	804982	08/25/2021	33.41	\$484.45	\$383.30	Active		-	-
			Regular	Finalized	804983	08/25/2021	64.01	\$1,056.79	\$799.18	Active		-	-
			Regular	Finalized	804984	08/25/2021	46.93	\$703.95	\$543.29	Active		-	-
	Subtotal							825.10	\$13,964.75	\$10,731.89			30.00 -

EXHIBIT 2

Shilo Inn, Bend, LLC
Utility Providers
As of August 13, 2021

Utility Provider Name	Type of Utility	Account No.	Location Served	Security Deposit?	Previous Bill (Month 1)	Previous Bill (Month 2)	Previous Bill (Month 3)	Proposed Cash Deposit	Utility Address	Utility Tel. No.
Republic Services	garbage / recycle	3-0675-1257386	Bend hotel	unknown	1045.03	874.56	797.92	\$905.84	PO Box 78829, Pheonix, AZ 85062-8829	541.382.2263
Cascade Natural Gas	gas manager res	08997200004	Bend hotel	unknown	15.91	107.16	87.35	\$70.14	PO Box 5600, Bismarck, ND 58506-5600	888.522.1130
Cascade Natural Gas	gas building 2	16997200007	Bend hotel	unknown	225.27	219.6	511.93	\$318.93	PO Box 5600, Bismarck, ND 58506-5600	888.522.1130
Cascade Natural Gas	gas office	18997200003	Bend hotel	unknown	25.83	48.46	99.37	\$57.89	PO Box 5600, Bismarck, ND 58506-5600	888.522.1130
Cascade Natural Gas	gas #600	26997200006	Bend hotel	unknown	288.91	269.12	286.93	\$281.65	PO Box 5600, Bismarck, ND 58506-5600	888.522.1130
Cascade Natural Gas	gas building 1	36997200005	Bend hotel	unknown	14.51	32.9	14.51	\$20.64	PO Box 5600, Bismarck, ND 58506-5600	888.522.1130
Cascade Natural Gas	gas building 4	37997200003	Bend hotel	unknown	17.34	31.47	63.3	\$37.37	PO Box 5600, Bismarck, ND 58506-5600	888.522.1130
Cascade Natural Gas	gas building 6	47997200002	Bend hotel	unknown	296.7	325.69	554.14	\$392.18	PO Box 5600, Bismarck, ND 58506-5600	888.522.1130
Cascade Natural Gas	gas building 5	57997200001	Bend hotel	unknown	136.16	131.21	132.62	\$133.33	PO Box 5600, Bismarck, ND 58506-5600	888.522.1130
Cascade Natural Gas	gas building 8	96997200009	Bend hotel	unknown	659.51	571.1	550.62	\$593.74	PO Box 5600, Bismarck, ND 58506-5600	888.522.1130
Centurylink	phone	73103658	Bend hotel	unknown	516.36	514.99	514.99	\$515.45	PO Box 91155, Seattle, WA 98111-9255	800.777.9594
Centurylink	internet	541 385 6801 801b	Bend hotel	unknown	1092.34	1093.1	1093.1	\$1,092.85	PO Box 91155, Seattle, WA 98111-9255	800.777.9594
Centurylink	phone	541 389 2178 287b	Bend hotel	unknown	71.87	67.63	66.05	\$68.52	PO Box 91155, Seattle, WA 98111-9255	800.777.9594
City of Bend	water	12905569000	Bend hotel	unknown	681.67	589	691.2	\$653.96	PO Box 34533, Seattle, WA 98124-1533	541.388.5515
City of Bend	sewer	12905569000	Bend hotel	unknown	1924.64	1924.64	1987.56	\$1,945.61	PO Box 34533, Seattle, WA 98124-1533	541.388.5515
City of Bend	water	12905569020	Bend hotel	unknown	122.23	89.81	172.88	\$128.31	PO Box 34533, Seattle, WA 98124-1533	541.388.5515
City of Bend	sewer	12905569020	Bend hotel	unknown	324.83	324.83	303.17	\$317.61	PO Box 34533, Seattle, WA 98124-1533	541.388.5515
City of Bend	water	12905569040	Bend hotel	unknown	602.54	430.32	611.69	\$548.18	PO Box 34533, Seattle, WA 98124-1533	541.388.5515
City of Bend	sewer	12905569040	Bend hotel	unknown	996.59	964.44	964.44	\$975.16	PO Box 34533, Seattle, WA 98124-1533	541.388.5515
City of Bend	water	12905569060	Bend hotel	unknown	164.36	138.4	145.45	\$149.40	PO Box 34533, Seattle, WA 98124-1533	541.388.5515
City of Bend	sewer	12905569060	Bend hotel	unknown	644.6	623.81	623.81	\$630.74	PO Box 34533, Seattle, WA 98124-1533	541.388.5515
City of Bend	water	12905581030	Bend hotel	unknown	38.5	38.71	44.14	\$40.45	PO Box 34533, Seattle, WA 98124-1533	541.388.5515
City of Bend	sewer	12905581030	Bend hotel	unknown	42.39	42.39	43.8	\$42.86	PO Box 34533, Seattle, WA 98124-1533	541.388.5515
City of Bend	6" fire line water	129055344580	Bend hotel	unknown	167.15	219.09	197.04	\$194.43	PO Box 34533, Seattle, WA 98124-1533	541.388.5515
City of Bend	6" fire line sewer	129055344580	Bend hotel	unknown	1262.13	1262.13	1304.2	\$1,276.15	PO Box 34533, Seattle, WA 98124-1533	541.388.5515
Pacific Power	electricity (10 meters)	02251521-001 5	Bend hotel	unknown	973.25	634.42	631.78	\$746.48	PO Box 26000, Portland, OR 97256-0001	881.221.7070
Pacific Power	electricity (10 meters)	02251521-001 5	Bend hotel	unknown	560.43	458.54	486.3	\$501.76	PO Box 26000, Portland, OR 97256-0001	881.221.7070
Pacific Power	electricity (10 meters)	02251521-001 5	Bend hotel	unknown	1109.87	985.49	877.04	\$990.80	PO Box 26000, Portland, OR 97256-0001	881.221.7070
Pacific Power	electricity (10 meters)	02251521-001 5	Bend hotel	unknown	750.42	574.22	690.37	\$671.67	PO Box 26000, Portland, OR 97256-0001	881.221.7070
Pacific Power	electricity (10 meters)	02251521-001 5	Bend hotel	unknown	722.21	504.62	567.39	\$598.07	PO Box 26000, Portland, OR 97256-0001	881.221.7070
Pacific Power	electricity (10 meters)	02251521-001 5	Bend hotel	unknown	793.48	603.92	760.35	\$719.25	PO Box 26000, Portland, OR 97256-0001	881.221.7070
Pacific Power	electricity (10 meters)	02251521-001 5	Bend hotel	unknown	684.9	603.92	467.42	\$585.41	PO Box 26000, Portland, OR 97256-0001	881.221.7070
Pacific Power	electricity (10 meters)	02251521-001 5	Bend hotel	unknown	1440.37	994.19	1145.17	\$1,193.24	PO Box 26000, Portland, OR 97256-0001	881.221.7070
Pacific Power	electricity (10 meters)	02251521-001 5	Bend hotel	unknown	451.05	353.1	453.1	\$419.08	PO Box 26000, Portland, OR 97256-0001	881.221.7070
Pacific Power	electricity (10 meters)	02251521-001 5	Bend hotel	unknown	468.19	342.89	319.38	\$376.82	PO Box 26000, Portland, OR 97256-0001	881.221.7070
TOTAL								\$18,193.97		

Shilo Inn, Warrenton, LLC
Utility Providers
As of August 13, 2021

Utility Provider Name	Type of Utility	Account No.	Location Served	Security Deposit?	Previous Bill (Month 1)	Previous Bill (Month 2)	Previous Bill (Month 3)	Proposed Cash Deposit	Utility Address	Utility Tel. No.
Centurylink	phone	88775112	Warrenton Hotel	unknown	474.27	476.86	476.86	\$ 476.00	PO Box 52187, Pheonix, AZ 85072-2187	800.860.1020
Centurylink	phone	503 861 2194 460	Warrenton Hotel	unknown	189.5	186.04	184	\$ 186.51	PO Box 52187, Pheonix, AZ 85072-2187	800.860.1020
Charter Communications	internet	8787 14 002 0109902	Warrenton Hotel	unknown	263.84	263.84	259.95	\$ 262.54	PO Box 7173, Pasadena, CA 91109-7173	800.314.7195
City of Warrenton	sewer	002827-000	Warrenton Hotel	unknown	1264.11	1046.81	745.59	\$ 1,018.84	PO Box 250, Warrenton, OR 97146	503.861.2233
City of Warrenton	storm	002827-000	Warrenton Hotel	unknown	361.06	208.6	148.35	\$ 239.34	PO Box 250, Warrenton, OR 97146	503.861.2233
City of Warrenton	water	002827-000	Warrenton Hotel	unknown	1062.45	892.33	656.51	\$ 870.43	PO Box 250, Warrenton, OR 97146	503.861.2233
City of Warrenton	sewer	109516-002	Warrenton Hotel	unknown	65.09	64.42	64.42	\$ 64.64	PO Box 250, Warrenton, OR 97146	503.861.2233
City of Warrenton	storm	109516-002	Warrenton Hotel	unknown	8.48	12.12	12.12	\$ 10.91	PO Box 250, Warrenton, OR 97146	503.861.2233
City of Warrenton	water	109516-002	Warrenton Hotel	unknown	49.17	63.57	63.57	\$ 58.77	PO Box 250, Warrenton, OR 97146	503.861.2233
NW Natural	natural gas	217602-2	Warrenton Hotel	unknown	636.09	680.01	593.18	\$ 636.43	PO Box 6017, portland, OR 97228-6017	503.721.2512
Pacific Power	electricity	59894340-001 3	Warrenton Hotel	unknown	1831.03	1352.89	1315.73	\$ 1,499.88	PO Box 26000, Portland, OR 97256-0001	881.221.7070
Pacific Power	electricity	2259593100	Warrenton Hotel	unknown					PO Box 26000, Portland, OR 97256-0001	881.221.7070
Recology Western Oregon	garbage / recycle	1080037093	Warrenton Hotel	unknown	1234.49	1234.56	1225.37	\$ 1,231.47	PO Box 60609, Los Angeles, CA 90060-0609	503.861.0578
TOTAL								\$ 6,555.76		